

LANE FIXES BLAME FOR GASOLENE PRICE

Big Companies, Secretary Reports, Produce Unwarranted Shortage in Oil.

BOOSTS STOCK VALUES

WASHINGTON, Feb. 3.—In a report sent to the Senate today in response to the Mcumber resolution Secretary Lane puts the blame for the high price of gasoline "on the big refining and transporting companies."

Figures were submitted to show the increase in the production of gasoline and also the increase in the exports and in the amount consumed in the United States. But the Secretary of the Interior is unwilling to concede that these conditions alone are sufficient to send the price of gasoline up to the height it has attained.

"The obvious fact is that the refining and transporting companies are strong and powerful and thus can easily take advantage both of the rising and rising markets in crude oil to strengthen an already strong position by purchasing both a stock of crude oil and additional producing properties," says the report.

"Under these conditions a market shortage of oil may be developed which is not wholly warranted by facts of actual production yet it is not surely leads to higher prices in both crude and refined products. This furnishes the opportunity to the well supplied refiners to sell at the highest price gasoline which is derived from crude oil purchased at a lower market."

How Consumer Suffers.

"The net result of this clearly indicated business policy is that the consumer of gasoline pays a price which, in the case of the companies controlling the larger stocks of crude oil, is not necessarily paid by the price paid to the oil producer."

"The smaller refiners, on the contrary, less favored with transportation and storage facilities and ready capital, may be so dependent for crude upon the export market that their cost of gasoline production is directly in relation to the cost of crude oil. In this they do not have to pay a premium whenever a shortage is threatened. This advantage of larger profits to the stronger companies is perhaps inherent in the competitive system and must be recognized in any analysis of costs and prices."

Commenting on the "financial influences" that have affected the price of gasoline the report says:

"The recent rapid increase in the price of crude oil and gasoline has been accompanied by rapid increases in the market value of the common shares of the largest values of the capital stock of thirty-five are in the Standard Oil group and three are typical large independent companies, have increased remarkably in the last six months. Stocks of other oil companies, while rising, but the operations are not at hand."

The thirty-eight companies selected are believed to represent all phases of the oil industry. These rapid increases might be ascribed to the general condition of prosperity and the general upward trend of stock market values.

The report, during the last quarter of 1915 the oil company stocks did not rise at all with the market."

BIG INCREASED DEMAND.

Among the general causes given for the high price of gasoline are the increased consumption of gasoline in the United States, the variation from year to year in the market, as high as 35 per cent for each of the last two years over the year preceding. At the same time the export trade in increased 545,000 barrels in 1915 over the previous year and last year the exports were 1,500,000 barrels greater than in 1914, or that amount, or a difference of 17½ points in the tax rate next year.

WEAKER TONE IN EXCHANGE.

FRAMES, LIRE and GULDERS Decline — Marks Unchanged.

The tone of the foreign exchange market was generally weaker yesterday. Frames, lire and guilders declined. Sterling closed at \$4.75 12-18 for demand and 4.78 12-18 for cables as compared with 4.78 12-18 for cables, which dropped to 4.76 12-18 for checks and 4.76 12-18 for bills.

They were quoted on Wednesday at 4.76 12-18 and 4.78 12-18. Rubles were unchanged at 29.65.

Marks were unchanged at 73.8, for silver and 73.4, for cables. Austrian kronen declined from 12.45 to 12.35, while guilders dropped from 4.15-16 to 4.17.

THOM'S TASKS LIGHTENED.

Southern Railway Reduces Law Department.

Fairfax Harrison, president of the Southern Railway Company, issued the following statement yesterday:

In order that Alfred P. Thom may, in the interests of the corporation, retain the position of counsel of the railway executive advisory committee, he has at his own request been temporarily relieved of certain duties of his office for this company, effective February 1, 1916. The organization of the law department has accordingly readjusted and the duties of general counsel are distributed as follows:

"Francis Lynde Stetson, general counsel of New York, with general advisory and active duties as assigned by the board of directors or the president.

"Alfred P. Thom, general counsel at Washington, D. C., with general advisory and active duties as assigned by the president.

"Alexander P. Humphrey, general counsel at Louisville, Ky., in charge of the tax department of the Western district.

"L. E. Jeffries, general counsel, Washington, D. C., in charge of the law department of the Northern, Eastern, Middle and Southern districts."

ELEVEN B. R. T. ELECTIONS.

Subsidiaries Choose Directors for Coming Year.

Eleven of the subsidiary companies of the Brooklyn Rapid Transit system held annual meetings yesterday at the offices of the system, 85 Clinton Street, Brooklyn.

New York Consolidated Railroad Company, which owns elevated and subway lines, elected J. D. Benedict, superintendent of transportation of the company, to the board of directors to succeed John W. Weber, and Walter St. John, Benedict was elected a director to succeed John Engle, deceased. The other directors were reelected.

Coney Island and Brooklyn Railroad elected L. Van Cott, purchasing agent, and H. R. T. system, to the board of directors to succeed John Hill Morgan, resigned.

The South Brooklyn Railway Company elected Capt. A. H. Storck, Walter St. John, Benedict, J. J. Dempsey, O. J. Covill and William Silbert, directors to succeed Col. T. S. Williams, C. D. McMeekin and W. Hodges. Their prices were with a high of 578 reached not long ago in France and a low of 601 about the time when the Anglo-French loan was under negotiation.

The following companies reelected the directors: New York Municipal Railway Corporation, Brooklyn, Queens County and Suburban Railroad, Bronx; Brooklyn Heights Railroad Company, Prospect Park and South Brooklyn Railroad Company, New York; and Coney Island Railroad Company, and Transit Development Company.

EQUITABLE LIFE SHOWS GAINS.

Payments to Policyholders \$58,371,388 During 1915.

The statement of the Equitable Life Assurance Society shows an increase in the market values of the capital stock of thirty-five are in the Standard Oil group and three are typical large independent companies, have increased remarkably in the last six months. Stocks of other oil companies, while rising, but the operations are not at hand."

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COMMERCE CHAMBER FOR CITY ECONOMY

Approves Mayor Mitchel's Plan for Lower Tax Rate After Hearing Facts.

LEGISLATURE IS BLAMED

The Chamber of Commerce at its regular monthly meeting yesterday approved of Mayor Mitchel's programme for pruning the city budget more than \$25,256,000 through measures now before the Legislature, and a resolution was passed to the effect.

The Mayor briefly reviewed the economies of the Board of Estimate since the present administration took office, and drew to the attention of the chamber the fact that \$3,000,000 has been cut out of annual expenses of about \$70,000,000 since January, 1914. The Mayor said in parts:

"One of the greatest importance items of the chamber, that it should be impressed upon the city's representatives that the responsible citizens of New York are determined that the city shall get relief and that they are of the opinion that the city's representatives should stand together for New York city in the Legislature this year either upon this programme or upon some other that means financial relief to the taxpayers during the next two or three years."

Points to Direct Tax.

To take this thing up specifically we have this year in our budget an item of \$13,975,000 on account of the city's share of the direct State tax. That amount of 13½ points on the tax rate for 1916. It has been stated by the Governor and by the State Comptroller that, in their opinion, a direct tax will not be necessary this year. I think that that opinion is quite sound. I have not the slightest doubt that if the Legislature will refrain from making appropriations for local State purposes next year, the City of New York will be in a position to stand together with the French government to secure a loan.

Bankers were quite ready to talk about a French loan, maintained yesterday that they were correct in their statements and that important French financing would probably be announced here soon if Mr. Morgan's conference with French bankers on Friday this coming week.

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One interesting exhibit is a tablecloth woven by the children of banks and their wives, which is a copy of the Declaration of Independence.

Another instance is the appropriation of \$150,000 of State funds for strengthening the channel of the Seine river in the rural districts, and the city of New York's proportion was \$1,800,000. Now it seems to me essentially unfair that New York city should contribute 79 per cent of the cost of improving those waterways, especially to the extent that it is to be carried out through local appropriation or local assessment, just as similar work done here in the city through local appropriation and local assessment. If the rule is fair for us it is fair for other portions of the State. And what we ask is that the State aid law be amended to that effect.

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Mr. Homberg added that the French commission was not able to spend its funds as rapidly as it wished owing to the fact that many American manufacturers of war materials were dilatory in making deliveries. He added that Mr. Morgan would talk with the French Minister of Finance and with the Minister of War.

It was reported yesterday that E. R. Stettinius, a member of the firm of J. P. Morgan & Co., who is in charge of the French mission to Paris, has been unable to secure a loan from the French Government to finance the reconstruction of France.

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